

Offer 401-HHS-005-ChildCare

Offer Total: \$ 123,127,314

General Fund Need: \$ 64,089,175

Offer Description:

The Child Care Assistance (CCA) program provides funding for child care for children of low-income parents who are working or in school, including families participating in PROMISE JOBS activities or receiving protective child care. Funding within the CCA appropriation also supports the Child Care Resource and Referral (CCR&R) Agencies and the Quality Rating System.

This offer seeks to provide funding for the anticipated number of children to be served in child care assistance; increase the percentage of children served in regulated settings; increase the number of registered child development homes; and increase the number of providers who voluntarily apply for the quality rating system and receive a rating at level 2 or higher.

SFY 2012 Enacted Budget (Status Quo Funding)

Child Care - SFY 2013 Appropriation	\$	26,618,831
Child Care - SFY 2012 Differential	\$	26,618,831
Total State \$ Appropriated:	\$	53,237,662

Funding Needed to Maintain the Current Service Level

Decision Package	Decision Package Description	Amount
1	Replace Carry Forward: The funds projected to be carried forward from SFY 2011 and used to fund child care assistance in SFY 2012 need to be replaced with state general funds to maintain the current level of child care assistance.	\$ 3,206,802
2	Full Funding Of SFY 2012 Level For Child Care Assistance: There is currently a shortfall of \$1,304,298 projected for child care assistance for SFY 2012. State general funds in this amount are needed to fund child care assistance in SFY 2012 and SFY 2013. If this funding is not provided for both SFY 2012 and SFY 2013, the number of children served will need to be reduced to the level funded by the SFY 2012 appropriation. This would result in an unprecedented disenrollment of children in the program. The estimated reduction beginning January 1, 2012, would be approximately 600 children per month for the remaining six months of SFY 2012 and 300 children per month for SFY 2013.	\$ 1,304,298
3	Caseload Growth For Child Care Assistance: The overall number of children receiving child care assistance is projected to grow by 1.5% in both SFY 2012 and SFY 2013, continuing the trend from SFY 2011. The overall average number of children served per month is projected to increase from 23,392 in SFY 2012 to 23,743 in SFY 2013. The average number of children in regular child care assistance is projected to increase from 19,095 per month in SFY 2012 to 19,483 per month in SFY 2013. The average number of children receiving protective child care assistance is projected to remain at 617 per month, the same as projected for SFY 2012. The average number of children in PROMISE JOBS child care is projected to decrease slightly from 3,680 per month in SFY 2012 to 3,643 per month in SFY 2013 due to declining FIP cases. The cost per child for all three categories is anticipated to remain the same as the average cost in SFY 2011 for both SFY 2012 and SFY 2013. The average cost per child for regular child care assistance is \$363.11; the average cost per child for protective child care is \$396.25; and the average cost per child for PROMISE JOBS child care is \$313.62. If this funding is not provided and growth occurs as projected, a waiting list will need to be implemented beginning July 1, 2012. Note: By statute, families on FIP, children receiving protective care, and newborns from current recipients of child care assistance are exempt from the waiting list.	\$ 2,179,126

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4	Protective Child Care Assistance: Currently, the annual appropriation to Child and Family Services (CFS) includes \$3,696,285 for protective child care assistance. This amount is then transferred to the child care appropriation where the expenditures are incurred. Moving this amount to the child care appropriation eliminates the need for the annual transfer and is offset by an equal reduction in the CFS appropriation.	\$ 3,696,285
5	Increased Federal Funds For Administration and Field Operations: The projected increase in federal Child Care and Development Fund (CCDF) dollars used for administration of the child care program reduces the federal funds available for child care assistance and therefore increases the need for state general funds. This need is based on the anticipated increase in payroll costs, an increase in projected child care caseloads, and is partially offset by the decrease in the FMAP rate for an overall projected increase of 3.7%. The projected increase in costs for the automated printing and mailing of Notices of Decision produced by the Kindertrack system, and Attorney General staff reimbursement is \$7,000. The projected increase in the amount of federal child care funds earned by field operations is \$398,147 and local administrative expenses through the counties is \$98,782. The federal share provided by CCDF funds is determined through cost allocation based on the federally approved plan.	\$ 503,929
6	Federal Earmarks: The projected increase in federal earmarks (targeted funds) for FFY 2012, combined with an assumption that the federal appropriation of overall discretionary funding remains the same, results in a lower amount of federal CCDF funds available for child care assistance, which increases the need for state general funds.	\$ 127,205
7	Record Checks: The projected cost of conducting required record checks on child development homes plus transferring the cost savings for licensed centers paying for their own record checks to the Child Care Facility Fund as required by the 2009 Iowa Acts exceeds the SFY 2012 funding. The rate increase effective July 1, 2010, for state record checks from \$5.00 to \$15.00 was not funded.	\$ 38,000
8	Federal CCDF Funds: Annualizing the actual increase in federal CCDF funds awarded for FFY 2011 and adjusting for the decrease in the FMAP rate results in additional CCDF funds projected for SFY 2013. The projected increase in federal funds reduces the need for state general funds.	\$ (57,132)
9	Child Care Wraparound Grants: The funds needed for child care wraparound services under contract for SFY 2012 and projected for SFY 2013 have declined by \$147,000, from \$4,608,000 to \$4,461,000 based on the number of slots actually provided and contractors who discontinued the program.	\$ (147,000)

Total Requested for Current Service Level Funding: \$ 10,851,513

Note: Total requested for current service level funding after excluding DP # 4 Protective Child Care Assistance is \$7,155,228.

Funding for Improved Results

Decision Package	Decision Package Description	Amount
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Total Requested for Improved Results Funding: \$ -

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General Fund Total	\$64,089,175
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General Fund Change From Prior Year	\$10,851,513
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Total Funding Summary:

State Funding Total	\$64,089,175
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Program	
General Fund	\$ 64,089,175
SLTF	\$ -
Tobacco	\$ -
Iowa Care	\$ -
HCTA	\$ -
Other*	\$ -
Total	\$ 64,089,175

Federal Funding Total	\$59,038,139
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Program	
TANF	\$ 22,732,687
SSBG	\$ -
ARRA	\$ -
IowaCare	\$ -
HCTA	\$ -
Other**	\$ 36,305,452
Total	\$ 59,038,139

** Child Care and Development Fund (CCDF) dollars: The total of \$43,849,649 CCDF projected funding less \$7,544,197 for federal match to General Administration, Local Administrative Expenses (LAE), and Field Operations leaves \$36,305,452 available for the child care program.

Other Funding Total	
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Program	
Other ***	\$ -

Totals	Program
	\$ 123,127,314

Offer Total

\$123,127,314

FTEs included in offer:

FTEs	-
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